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RUEHC/DEPT OF LABOR WASHDC PRIORITY
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY
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SUBJECT: BEAUTY AND THE BEAST: A WEEK OF CONTRASTS IN THE DOMINICAN REPUBLIC

REF: A. THE WHITE HOUSE "FACT SHEET: ADVANCING THE CAUSE OF SOCIAL JUSTICE IN THE WESTERN HEMISPHERE" 03/05/07
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I11. (SBU) Two distinctly different faces of the Dominican Republic were on display this week. The week saw record sales at the Cap Cana resort development, an enterprise which, based on the draw of world-class beaches, promises to bring considerable investment and job growth to the country. At the same time, a bleak side of the Dominican Republic -- the poor working conditions of Haitian sugarcane workers -- has received a good deal of attention here because of an exhibit taking place in Paris. These events have once again highlighted the severe income inequalities in this country, as well as the challenges ahead as we tackle the issue of social justice in Latin America (ref A).

THE GOOD

I12. (U) On May 16, the Dominican elite turned out to inaugurate the first phase of development of Capa Cana Marina, which is part of the larger Cap Cana resort complex. To kick off the project, a ribbon cutting ceremony was held, with the honors done by President Leonel Fernandez's wife, Margarita Cedeno de Fernandez. Three days later, Donald Trump was on hand as Trump Farallon Estates (another sub-unit within Cap Cana) sold 62 plots of land, for a total value of over US\$300 million, in less than four hours.

I13. (U) Cap Cana's promotional materials describe a 6,200-acre development, which is the first stage of a total of over 30,000 acres, overlooking five miles of fine, white-power sandy beaches. Many plots sit 200 feet above sea-level on limestone bluffs with magnificent views of the Caribbean Sea.

The resort will eventually include three Jack Nicklaus Signature Golf Courses, the largest marina in the Caribbean (with over 500 slips), and a dizzying array of shops, restaurants, and spas.

¶4. (U) Cap Cana is located in the eastern Dominican Republic and, according to the developers, only 10 minutes away from the Punta Cana International Airport. Non-stop flights to Punta Cana are available from numerous North American and European cities. This will provide Capa Cana an advantage over its principal rival for international sales in the Dominican beach condominium market, Casa de Campo, which is served by the smaller La Romana airport. (Casa de Campo is likely to continue to do well in the smaller domestic market due to its proximity to Santo Domingo -- two hours by car versus the four-hour drive to Punta Cana.)

¶5. (U) Cap Cana is sure to bring a good deal of tax revenue to the Dominican economy, and local suppliers are likely to do a brisk business with the large resort. Job growth is another likely result of the Cap Cana investment. While many of the new positions will be at the low minimum wage, US\$230 per month, skilled customer services jobs will pay higher wages.

THE BAD

¶6. (SBU) The poor working conditions of Haitian sugarcane cutters, as well as human rights violations and discrimination suffered by other persons of Haitian descent in the Dominican Republic, have been well documented, e.g. in refs B-C and our Human Rights Report. In March 2006, Amnesty

International wrote an open letter to President Fernandez in which the organization alleged a "deteriorating human rights situation of Haitians migrant workers and Dominican nationals of Haitian descent." The lengthy letter goes on to detail collective and arbitrary expulsions, a climate of xenophobia, mob violence, and harassment of human rights defenders.

¶7. (SBU) This week, while the elite deservedly celebrated the success of their large investment in Cap Cana, back in Santo Domingo sugar companies and government officials fended off renewed accusations of abuse of Haitian workers. The latest criticism comes from Paris, where a group of activists, including the Paris city hall and Amnesty International, have organized an exhibition about sugarcane cutters in the Dominican Republic titled "Slaves in Paradise." Photos and recordings are available on the Internet at www.esclavesauparadis.com.

¶8. (SBU) The Slaves in Paradise event features seminars, a photo exhibit, and the premier of the documentary film "The Price of Sugar." Our impressions, based on an extended preview posted on the website You Tube, are that The Price of Sugar details the poor working conditions of persons of Haitian descent working in sugarcane fields owned by the Vicini Corporation. The film, produced by Bill Haney and narrated by the actor Paul Newman, features the advocacy efforts of Father Christopher Hartley, who also ministered to the sugarcane cutters and their families. Hartley left the country last October, when his advocacy tactics went further than the church hierarchy could allow.

¶9. (SBU) The Vicini Corp.'s response to the Haney film has been swift. The firm has hired the premier Washington law office Patton Boggs which, according to press reports, is sending a warning to Haney and the production company Uncommon Productions that any presentation of the film will result in a defamation law suit. The Vicini Corp. has also joined the battle on the Internet, having posted a short film on You Tube titled "The Truth About the Price of Sugar." Vicini publicists provided anti-Hartley versions that dominated local press accounts.

¶10. (SBU) The lower house of congress also recently got into the act, passing a resolution condemning the Paris exhibit.

Upon delivering a copy of the resolution to the French Ambassador, the author of the declaration, Victor "Ito" Bisono of the PRSC party, declined to provide a response to the allegations in the exhibit. Instead, in a common refrain here, the congressman told reporters that Slaves in Paradise was part of a defamatory campaign against the Dominican Republic that "seeks to harm the image of (our country) abroad."

¶11. (SBU) The executive branch of the Dominican government has been largely silent this week, which is unusual given the tendency of Foreign Minister Morales Troncoso to speak out strongly on Haitian issues. However, all of the congressmen from the ruling PLD party voted in favor of Bisono's resolution (it passed unanimously in the lower house). In addition, representatives of the PLD and the largest opposition party, the PRD, accompanied Bisono to the French Embassy.

AND THE UGLY

¶12. (SBU) Defenders of the rights of persons of Haitian descent face an uphill battle in the Dominican Republic. Father Hartley was unexpectedly transferred out of the country, which he says was due to the Dominican Church's leadership being unable to stomach his advocacy work. The

papal nuncio (protect) tells us that Hartley had been found to have exceeded his mandate in some unexplained but clearly unacceptable fashion. In 2005, another activist priest, Pedro Ruquoy, left the country after 30 years of missionary work because of consistent harassment. The last straw was the revelation by journalists that Ruquoy, a celibate priest, had put his name onto birth registrations as father of two Haitian boys he had taken into his care -- presumably because they were unable to obtain identity documents. In March 2007, an investigation by staff at the Central Elections Board (JCE) recommended that the authorities strip the Dominican citizenship of Sonia Pierre, a prominent advocate for the rights of persons of Haitian descent. The next day, the JCE President stated publicly that only a judicial tribunal could take such a drastic step, but by that time the international media had already spread the word of the harassment of Pierre (ref D). Hartley, Ruquoy, and Pierre have all received death threats.

COMMENT

¶13. (SBU) The contrast this week between the glitter and shine of Cap Cana and the often ugly debate about Haitian sugarcane cutters was striking. These are complex issues that defy simple solutions. One way to look at them is in terms of the old and the new in the Dominican economy. Agriculture, with sugar in the lead, once dominated economic activity here, but now makes up only 11 percent of GDP. Services, including tourism, are the wave of future, and already constitute 60 percent of the economy. The organizers of the Paris exhibit may have lost some of their audience by using the inflammatory title "Slaves in Paradise," but there is no doubt that the Dickensian working conditions in the sugar fields are all too real.

-- Drafted by Peter Hemsch

(U) This report and extensive other material can be consulted on our SIPRNET site,
<http://www.state.sgov.gov/p/wha/santodomingo/>
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